

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

CHARLES A. JONES,)	3:14-cv-00199-LRH-WGC
)	
Plaintiff,)	<u>MINUTES OF PROCEEDINGS</u>
)	
vs.)	October 27, 2014
)	
ALL AMERICAN AUTO PROTECTION, INC.,)	
)	
Defendant.)	
)	

PRESENT: THE HONORABLE WILLIAM G. COBB, U.S. MAGISTRATE JUDGE

DEPUTY CLERK: Katie Lynn Ogden REPORTER: FTR

COUNSEL FOR PLAINTIFF: Matthew Righetti, Esq. (Telephonically)

COUNSEL FOR DEFENDANT: Eric Allen, Esq. (Telephonically)

MINUTES OF PROCEEDINGS: Motion Hearing

1:37 p.m. Court convenes.

The court convenes to address Defendant's Motion to Stay Discovery (Doc. # 30).

Before addressing the motion to stay, the court and parties discuss Mark R. Smith, Esq., Eric S. Allen, Esq. and Scott S. Allen, Esq. individual motions to withdraw as counsel on behalf of Defendant (Doc. ## 39, 40 and 41). Counsel for Defendant states that All American Auto Protection, Inc. has terminated the representation of all its litigation counsel. Additionally, All American Auto Protection, Inc. has authorized counsel to explain it has retained bankruptcy counsel and anticipates filing a petition seeking bankruptcy protection in the near future. Finally, All American Auto Protection, Inc. has represented to counsel that it has no intention of defending this case on any level moving forward from this point, primarily because of financial reasons and in view of a default against it in a separate class action.

Counsel for All America Auto Protection, Inc. represents they have advised their client that, as a corporation, it may only appear in federal court through licensed attorneys. The court explains it will defer ruling on the motions to withdraw as counsel until either Plaintiff's counsel responds or the deadline to respond expires.

MINUTES OF PROCEEDINGS

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Given Defendant's counsels' representations made today, the court next addresses the motion to stay discovery. Reviewing the underlining motion to dismiss (Doc. # 27) as guidance how to decide the motion to stay discovery, the court expresses its concern whether or not the motion to dismiss will be granted and whether it is meritorious. The court cannot say that it is "convinced" the motion to dismiss should be granted. Therefore, Defendant's Motion to Stay Discovery (Doc. # 30) is **DENIED**.

The court directs counsel for Defendant to advise All American Auto Protection, Inc. of the court's decision regarding discovery and also reiterate the requirement of a corporation to obtain licensed attorney(s) to represent it in federal court pursuant to Ninth Circuit Court of Appeals decision in *In Re: American West Airlines*. 40 F. 3d 1058 (1994). The court cautions Defendant that if substitute counsel is not obtained, most likely the pending Motion to Compel (Doc. # 42) will be granted as against All American Auto Protection, Inc. The court will further enter a Report and Recommendation recommending a default judgment be entered against Defendant in view of its failure as a corporate entity to secure alternative counsel.

IT IS SO ORDERED.

1:52 p.m. Court adjourns.

LANCE S. WILSON, CLERK

By: /s/
Katie Lynn Ogden, Deputy Clerk